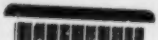

92 14 6799

B 42-2244

0 26103 Q 35591

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

(Mark One) (X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1992

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

COMMISSION FILE NUMBER 0-17126

BEST COPY AVAILABLE

PROCESSED BY
MAY 18 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

AMERICAN POWER CONVERSION CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MASSACHUSETTS	04-2722013
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

132 FAIRGROUNDS ROAD, WEST KINGSTON, RHODE ISLAND 02892
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 401-789-5735

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS TO BE FILED BY SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES _X_ NO

THE NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S COMMON STOCK, $.01 PAR VALUE, ON MAY 11, 1992 WAS 21,574,083 SHARES.

FORM 10-Q
MARCH 31, 1992

AMERICAN POWER CONVERSION CORPORATION
INDEX

	PAGE NO.
PART I - FINANCIAL INFORMATION:	
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS: CONSOLIDATED BALANCE SHEETS - MARCH 31, 1992 (UNAUDITED) AND DECEMBER 31, 1991	3,4
UNAUDITED CONSOLIDATED STATEMENTS OF EARNINGS - THREE MONTHS ENDED MARCH 31, 1992 AND 1991	5
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS - THREE MONTHS ENDED MARCH 31,1992 AND 1991	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	8,9
PART II - OTHER INFORMATION:	
ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K	10
SIGNATURES	11

PART I - CONSOLIDATED FINANCIAL STATEMENTS

ITEM 1 - FINANCIAL STATEMENTS

AMERICAN POWER CONVERSION CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	MARCH 31, 1992 (UNAUDITED)	DECEMBER 31, 1991
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	$13,038,198	$12,169,384
ACCOUNTS RECEIVABLE, LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF $808,849 IN 1992 AND $455,849 IN 1991	15,126,695	12,907,349
INVENTORIES:		
RAW MATERIALS	13,956,061	11,709,804
WORK-IN-PROCESS AND FINISHED GOODS	12,977,190	8,951,281
NET INVENTORIES	26,933,251	20,661,085
PREPAID EXPENSES AND OTHER CURRENT ASSETS	340,079	294,185
DEFERRED INCOME TAXES	1,077,212	877,212
TOTAL CURRENT ASSETS	56,535,435	46,909,215
PROPERTY AND EQUIPMENT:		
LAND AND BUILDING	2,497,071	2,068,505
PRODUCTION EQUIPMENT	7,476,669	6,875,019
OFFICE EQUIPMENT AND FURNITURE	2,602,112	1,841,809
PROJECTS IN PROCESS	2,503,113	2,503,113
	15,078,965	13,288,446
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION	2,613,010	2,193,010
NET PROPERTY AND EQUIPMENT	12,465,955	11,095,436
OTHER ASSETS, NET OF AMORTIZATION	18,150	169,666
TOTAL LONG TERM ASSETS	12,484,105	11,264,102
TOTAL ASSETS	$69,019,540	$58,173,317

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN POWER CONVERSION CORPORATION
BALANCE SHEETS (CONTINUED)

LIABILITIES AND SHAREHOLDERS' EQUITY

	MARCH 31, 1992 (UNAUDITED)	DECEMBER 31, 1991
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	$ 9,263,917	$ 5,401,618
ACCRUED EXPENSES	2,445,464	1,609,246
ACCRUED COMPENSATION	1,760,334	2,069,027
ACCRUED CONTRIBUTIONS TO EMPLOYEE STOCK OWNERSHIP PLAN	556,306	653,013
INCOME TAXES PAYABLE	2,455,266	1,233,977
CURRENT INSTALLMENTS OF LONG-TERM DEBT	3,040,000	3,040,000
TOTAL CURRENT LIABILITIES	19,521,287	14,006,881
DEFERRED TAX LIABILITY	514,000	514,000
TOTAL LIABILITIES	20,035,287	14,520,881
SHAREHOLDERS' EQUITY:		
COMMON STOCK, $.01 PAR VALUE; AUTHORIZED 25,000,000 SHARES IN 1992 AND 1991 ISSUED AND OUTSTANDING 21,573,144 SHARES IN 1992 AND 21,521,445 IN 1991	215,731	215,214
ADDITIONAL PAID-IN CAPITAL	9,609,893	8,879,109
RETAINED EARNINGS	39,158,629	34,558,113
TOTAL SHAREHOLDERS' EQUITY	48,984,253	43,652,436
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$69,019,540	$58,173,317

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN POWER CONVERSION CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

	THREE MONTHS ENDED	
	MARCH 31, 1992	MARCH 31, 1991
Net Sales	$30,841,168	$17,384,448
Cost of goods sold	15,927,102	9,428,743
Gross Profit	14,914,066	7,955,705
Operating expenses:		
Research and Development	1,033,373	532,454
Selling, General and Administrative	6,784,727	4,112,298
Total Operating Expenses	7,818,100	4,644,752
Operating Income	7,095,966	3,310,953
Other income (deductions)		
Interest Income	96,579	91,967
Interest expense	64,029	70,965
Earnings before income taxes	7,128,516	3,331,955
Income Taxes	2,528,000	1,166,184
Net Earnings	$ 4,600,516	$ 2,165,771
Earnings per Share	$ 0.20	$ 0.10
Weighted average shares outstanding	22,930,656	22,250,510

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

American Power Conversion Corporation
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended	
	MARCH 31, 1992	MARCH 31, 1991
Cash flows from operating activities:		
Net Earnings	$ 4,600,516	$ 2,165,771
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	420,000	224,940
Provision for losses on accounts receivable	353,000	265,337
Increase in accounts receivable	(2,572,346)	(108,960)
Increase in inventories	(6,272,166)	(2,961,901)
Increase in prepaid expenses and other current assets	(65,894)	(25,335)
Decrease in other assets	150,516	4,752
Increase in deferred taxes	(200,000)	-
Increase in accounts payable	3,862,299	75,677
Increase in accrued expenses	430,818	23,338
Increase in income taxes payable	1,221,299	265,271
Net cash provided by (used in) operating activities	1,928,032	(71,110)
Cash flows from investing activities:		
Capital expenditures	(1,790,519)	(1,194,861)
Net cash used in investing activities	(1,790,519)	(1,194,861)
Cash flows from financing activities:		
Issuance of common stock	731,301	617,632
Net cash provided by financing activities	731,301	617,632
Net increase (decrease) in cash and cash equivalents	868,814	(648,339)
Cash and cash equivalents at beginning of period	12,169,384	3,007,053
Cash and cash equivalents at end of period	$13,038,198	$ 2,358,714

The Company paid $0 and $70,965 for interest and $1,506,711 and $900,913 for income taxes for the three month periods ended March 31, 1992 and 1991, respectively.

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

(1) MANAGEMENT REPRESENTATION: In the opinion of management, the accompanying unaudited interim financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position and the results of operations for the interim periods. The results of operations for the interim period are not necessarily indicative of results to be expected for the full year.

(2) PER SHARE DATA: Earnings per common share are based on the weighted average number of shares of common stock and dilutive common stock options and warrants outstanding during each period.

(3) STOCK SPLIT: The Financial Statements reflect the two-for-one stock split in the form of a dividend that was completed on December 6, 1991.

(4) RECLASSIFICATIONS: Certain amounts for 1991 have been reclassified to conform with the 1992 reporting format.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:

NET SALES: Net sales for the first quarter of 1992 increased 77.4% compared to the same period in 1991. The increase in net sales was primarily attributable to greater penetration into the international markets and continued expansion in domestic markets and sales to original equipment manufacturers.

GROSS PROFIT: Gross profit as a percentage of net sales for the three month period ended March 31, 1992 increased to 48.4.% from 45.8% for the same period last year. The increase in gross profit percentage is primarily attributable to increased manufacturing efficiencies gained from automation and a higher margin product mix.

OPERATING EXPENSES: Operating expenses, which include Selling, General and Administrative, and Research and Development expenses, decreased to 25.3% from 26.7% of net sales for the three month period ended March 31, 1992 compared to the same period one year ago. The decrease in the percentage of operating expenses to net sales was primarily attributable to fixed expenses spread over a higher revenue base.

OTHER INCOME, EXPENSES: Other income increased by $11,548 for the three months ended March 31, 1992 compared to the same period a year ago. The Company currently invests all of its excess cash in low risk, short-term interest bearing instruments.

RESULTS OF OPERATIONS (CONTINUED):

PROVISION FOR INCOME TAXES: The Company's effective tax rate was approximately 35% for the periods ended March 31, 1992 and 1991, respectively.

LIQUIDITY AND CAPITAL RESOURCES: Working capital at March 31, 1992 was $37,014,148 compared to $32,902,334 at December 31, 1991. The primary reason for the Company's increased liquidity in 1992 was proceeds generated from operations. The Company anticipates its cash requirements for the foreseeable future will be satisfied by cash flow from operations, existing cash and, if needed, short-term borrowings or proceeds from the sale of additional equity.

At March 31, 1992, the Company had available for future borrowings $5,000,000 under an unsecured line of credit facility, payable on demand, with no commitment fee required on the unused portion. The line of credit bears interest at the bank's prime rate. Additionally, the Company has available a $10,000,000 unsecured line of credit facility that matures December 1992. This facility bears interest at the prime rate or at the bank's cost of funds rate plus one and one-quarter percent, at the election of the Company. The Company has not drawn any advances under these facilities through March 31, 1992.

PART II - OTHER INFORMATION

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8 - K

(A) EXHIBITS: EXHIBIT NO. 11 - COMPUTATION OF EARNINGS PER SHARE

(B) REPORTS ON FORM 8-K

NO REPORT ON FORM 8-K WAS FILED BY AMERICAN POWER CONVERSION CORPORATION DURING THE QUARTER ENDED MARCH 31, 1992.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED THEREUNTO DULY AUTHORIZED.

AMERICAN POWER CONVERSION CORPORATION

DATE: MAY 14, 1992 Rodger B. Dowdell

RODGER B. DOWDELL, JR.

CHAIRMAN AND PRESIDENT

(PRINCIPAL EXECUTIVE OFFICER

AND PRINCIPAL FINANCIAL OFFICER)

EXHIBIT 11

American Power Conversion Corporation
Computation of Earnings Per Share

	Three Months Ended March 31,	
	1992	1991
	(Unaudited)	
Primary:		
Weighted average shares outstanding	21,559,177	21,230,140
Net effect of dilutive stock options and warrants based on the treasury stock method using the average market price	1,371,479	1,015,184
Total	22,930,656	22,245,324
Net Income	$ 4,600,516	$ 2,165,771
Per share amount	$ 0.20	$ 0.10
Fully Diluted:		
Weighted average shares outstanding	21,559,177	21,230,140
Net effect of dilutive stock options and warrants based on the treasury stock method using the period end market price	1,364,324	1,020,370
Total	22,923,501	22,250,510
Net income	$ 4,600,516	$ 2,165,771
Per share amount	$ 0.20	$ 0.10